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C O N F I D E N T I A L SECTION 01 OF 02 VILNIUS 000431

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TAGS: PGOV LH

SUBJECT: LABOR PARTY SPLITS, COALITION KEEPS IT TOGETHER

REF: A. VILNIUS 357

1B. VILNIUS 367

1C. VILNIUS 376

Classified By: POL/ECON Officer Randolph Flay for reasons 1.4 b and d

SUMMARY

11. (C) Eight members of parliament, including the newly elected Speaker, withdrew from the Labor Party May 2 and 3, formed a new parliamentary group, and promised to support the ruling coalition of which they are no longer officially members. Over four hundred Labor Party members followed the parliamentarians and exited the party. The exodus reflected dissatisfaction with party leader Viktor Uspaskich, rather than with the direction of the Government, and we expect the coalition to continue in power without interruption. When the dust settles, Prime Minister Brazauskas will likely have strengthened his control of the Government. The events may also herald a rough road ahead for Uspaskich's Labor Party.
End summary.

Labor Flight

12. (U) Eight MPs, including Speaker of Parliament Viktoras Muntianas, left the Labor Party May 2 and 3 in protest of party leader Uspaskich's "undemocratic" leadership. Muntianas's disaffection with the party followed Uspaskich's April 29 decision to remove Muntianas from his position as party vice chairman. Other exiting MPs publicly voiced concern about press reports of Uspaskich's romantic and moral misadventures. More than 400 Labor Party members, including the local leaders and the mayor of Uspaskich's hometown, Kedainiai, exited regional chapters in Kedainiai and Lithuania's second largest city, Kaunas.

13. (U) The break-away Labor Party members, together with three independent parliamentarians and a Liberal Democrat, established a new parliamentary group, the Civil Democracy group. (Note: Parliamentary groups are distinct from political parties, which must meet membership and registration criteria, and with which they are generally associated.) Media report that the group plans to establish a new party or, to avoid the bureaucratic process of registering a new party, to take over with the Citizens' Union, a political party of fewer than 2,000 members and no MPs who broke away from former President Rolandas Pakšas's Liberal Democrats in early 2005.

Coalition) Stirred, not Shaken

¶4. (C) The flight of the Labor Party MPs leaves the three-party coalition, at least temporarily, with 62 seats in the 141-member parliament, but the Government faces little risk, despite its minority status. The new Civil Democracy group has declared support for the coalition's program and signed an agreement May 10 to cooperate with the coalition's parliamentary groups, thereby restoring a voting majority. If the group establishes itself as a party, Social Democratic MP Algirdas Paleckis told us, it will likely be able to join the coalition.

¶5. (U) For now, Muntianas continues to hold his position as Speaker. Vice Speaker Ceslovas Jursenas, one of the most influential Social Democrats in the parliament, remarked to the media that he does not see any need for Muntianas's removal given his expressed and continued support for the coalition's program. Without party status, the group can make no claim to cabinet seats, but does control four parliamentary leadership positions in addition to the Speaker, including the chairs of the budget and finance committee and the intelligence oversight committee.

Taking Uspaskich Down -- One Peg

¶6. (U) Muntianas's move wrested the Speaker and committee heads from the Labor Party's direct control. According to media reports, Muntianas tried also to convince the PM to shift the coalition council from the parties to the parliamentary groups, a move that would have cut Uspaskich (not an MP) out of decision-making. Brazauskas said no.

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Cabinet Seats

¶7. (C) PM Brazauskas has delayed presenting to President Valdas Adamkus the resignations of FM Antanas Valionis and Social Protection and Labor Minister (S&L Minister) Vilija Blinkeviciute (ref A). The PM is currently traveling outside Lithuania, and reports suggest that he will submit the resignations along with his candidates for the posts on or after May 15. While contacts within the Presidency told us they expect Brazauskas to nominate Ambassador Petras Vaitekunas for Foreign Minister and LP's Loreta Grauziniene for Social Protection and Labor Minister, analysts speculate that if Muntianas forms a party in the meantime, he could claim a seat.

COMMENT: Coalition Stability

¶8. (C) Lithuania's multiparty politics is as volatile as ever. The redistribution of Cabinet seats is on hold, MPs' party affiliations are in flux, and the number of parties constituting the now-minority ruling coalition keeps changing. What has not changed is the Government's underlying stability and character. The coalition will likely restore its majority status as quickly as it reconstituted its parliamentary voting strength. For one thing, the players remain the same. For another, there is no plausible alternative.

¶9. (C) The most intriguing development concerns the Labor Party. While it is premature to write off what remains the biggest group in the coalition, Muntianas and company's departure certainly weakens Labor leader Uspaskich.

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